

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Rule making related to Workforce Housing Tax Incentive Program

The Economic Development Authority hereby amends Chapter 48, “Workforce Housing Tax Incentives Program,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code sections 15.106A and 15.356.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 15.356.

Purpose and Summary

2017 Iowa Acts, Senate File 488, provides for a set-aside for small cities under the Workforce Housing Tax Incentives Program administered pursuant to Iowa Code sections 15.351 through 15.356. These amendments reflect the statutory changes to the program, including adding a definition, project requirements, and tax incentives. To prevent excessive buildup on the program’s wait list, the amendments also permit the Authority to stop accepting applications if the total amount of registered projects exceeds the available fiscal year allocation.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on October 11, 2017, as **ARC 3377C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Economic Development Authority Board on December 15, 2017.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its regular monthly meeting or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on February 21, 2018.

The following rule-making actions are adopted:

ITEM 1. Amend rule 261—48.1(15) as follows:

261—48.1(15) Authority. The authority for adopting rules establishing a workforce housing tax incentives program is provided in Iowa Code ~~section~~ sections 15.106A and in 2014 Iowa Acts, House File 2448, section 18 and 15.356.

ITEM 2. Adopt the following new definition of “Small city” in rule **261—48.3(15)**:

“*Small city*” means any city or township located in this state, except those located within the 11 most populous counties in the state, as determined by the most recent federal decennial census. For the purposes of this definition, a small city that is located in more than one county shall be considered to be located in the county having the greatest taxable base within the small city.

ITEM 3. Amend subparagraph **48.4(1)“a”(1)** as follows:

(1) Four or more single-family dwelling units, except for a project located in a small city, then two or more single-family dwelling units.

ITEM 4. Amend paragraph **48.4(1)“b”** as follows:

b. The project consists of any of the following:

(1) Rehabilitation, repair, or redevelopment at a brownfield site or grayfield site that results in new dwelling units.

(2) The rehabilitation, repair, or redevelopment of dilapidated dwelling units.

(3) The rehabilitation, repair, or redevelopment of dwelling units located in the upper story of an existing multi-use building.

(4) The new construction, rehabilitation, repair, or redevelopment of dwelling units in a distressed workforce housing community. The authority will determine whether a community is considered a distressed workforce housing community pursuant to subrule 48.4(2).

(5) For a project located in a small city that meets the minimum housing project requirements under this subrule, development at a greenfield site. A project located in a small city is not required to complete the distressed workforce housing community application pursuant to subrule 48.4(2).

ITEM 5. Amend paragraph **48.4(1)“c”** as follows:

c. (1) Except as provided in ~~subparagraph~~ subparagraphs (2) and (3) below, the average dwelling unit cost does not exceed \$200,000 per dwelling unit. For purposes of this rule, the average dwelling unit cost equals the costs directly related to the housing project divided by the total number of dwelling units in the housing project.

(2) The average dwelling unit cost does not exceed \$250,000 per dwelling unit if the project involves the rehabilitation, repair, redevelopment, or preservation of eligible property, as that term is defined in Iowa Code section ~~404A.1(2).~~ 404A.1(8)“a.”

(3) The average dwelling unit cost does not exceed \$215,000 per dwelling unit if the project is located in a small city.

ITEM 6. Amend paragraph **48.5(1)“a”** as follows:

a. A housing business seeking workforce housing tax incentives provided in rule 261—48.6(15) shall make application to the authority in the manner prescribed in this rule. The authority ~~will~~ may accept applications on a continuous basis and will review applications in the order received. If the total amount of registered projects exceeds the available fiscal year allocation, the authority may stop accepting applications until the registered projects on the wait list have been awarded tax incentives. The authority will acknowledge receipt of the application and notify the applicant within 30 days as to whether the project will be registered pursuant to this rule.

ITEM 7. Amend paragraph **48.6(3)“a”** as follows:

a. A housing business may claim a tax credit in an amount not to exceed the following:

(1) For a housing project not located in a small city, 10 percent of the qualifying new investment of a housing project.

(2) For a housing project located in a small city, 20 percent of the qualifying new investment of a housing project.

ITEM 8. Amend **261—Chapter 48**, implementation sentence, as follows:

These rules are intended to implement ~~2014 Iowa Acts, House File 2448~~ Iowa Code section 15.356.

[Filed 12/27/17, effective 2/21/18]

[Published 1/17/18]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 1/17/18.